



**Skilled Trades Training Fund
Overview**

Fiscal Year 2016

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Background

While Michigan's economy continues to gain momentum, there is still a challenge for companies to find talent with the skills they need. To address this issue, the Governor recommended, and the Legislature supported, the creation of the Skilled Trades Training Fund (STTF) in October of 2013. Now in its third year, the STTF continues to focus on assisting companies in meeting their talent challenges.

The STTF provides competitive awards for employer responsive training that enhances talent, productivity, and employment retention while increasing the quality and competitiveness of Michigan's businesses. The STTF ensures Michigan's employers have the talent they need to compete and grow, and individuals have the skills they need for in-demand jobs. Collaboration between the Michigan Works! Agencies (MWAs), economic development, and educational partners is essential to achieving demand-driven training that addresses talent shortages hampering the growth of Michigan's industries.

Key Partners

Any of the following partners can identify eligible businesses that have a documented need for recruitment and/or development of talent. However, final project approval lies with the Workforce Development Agency (WDA).

- WDA (Project Lead)
- Michigan Economic Development Corporation (MEDC)
- MWAs
- Local Economic Developers
- Michigan Community Colleges and other allowable training providers

Strategy

The STTF is designed to create public-private partnerships with businesses to design training models that adapt in real time with changing employer demand. Training must be short-term (preferably three months or less) in duration, and lead to a credential for a skill that is transferable and recognized by the industry. Businesses who request funding must actively participate in the development of the training and must commit to retaining individuals at the completion of training. New jobs created as a result of training should be filled by individuals recruited with the assistance of the local MWA.

The STTF is not to offset current tuition reimbursement programs.

Eligible Businesses

Any private or non-profit business is eligible to apply; governmental agencies and institutions are not eligible. Funds may be requested for a specific business with a demonstrated talent need. Demand is

documented by the MWA to determine whether or not the skill sets needed are available in the current labor pool. Staffing/temporary/leasing agencies' applications will be reviewed on a case-by-case basis.

Eligible businesses must demonstrate a need for training that allows the business to compete, expand, and positively contribute to the local and state economy. Businesses must have a Michigan presence, be in compliance with all federal and state tax obligations including but not limited to corporate, sales, use, withholding, personal income, and unemployment insurance taxes; and, be willing to participate under the project's eligibility parameters and guidelines.

Businesses that have multiple locations must complete an application for each site that is applying. Funding is not guaranteed for every application. Additionally, a location may only receive one award per fiscal year.

Businesses that have not submitted timely documentation for previous grant completion are prohibited from receiving future STTF funds.

Eligible Trainees

Any Michigan resident, 18-years of age or older, may participate in the STTF. Trainees, both current employees and individuals to be hired, must be permanent full-time employees of the business(es). Pure Michigan Talent Connect (www.mitalent.org) will be used as a resource to obtain potential candidates for the interview and selection process. If employees that are non-residents are attending the training and paid for by the business, these funds should be included in the employer contribution.

With the exception of current employees, prior to receiving training, individuals to be hired should be assessed to determine if they are suitable for the proposed training. An assessment should be done to ensure the individual has the capacity to successfully complete the training, and to ensure they are an appropriate fit for the business.

Training Duration

Funding will be utilized to provide short-term training to meet current, documented needs of businesses, typically three months or less, no training plan should exceed six months. Training should be expedited as soon as possible after the grant has been awarded, four to six weeks is preferred.

Allowable Training Providers

Michigan community colleges and other training providers identified by, and agreed upon by all partners, who can do accelerated "just-in-time" training.

Additional examples:

- Proprietary schools as licensed in the State of Michigan
- Businesses, only if their resources or equipment is [exclusive](#) and training is not available elsewhere; supporting rationale must be documented in the application

- Vendors providing training in operation of equipment or systems for which they were the provider

An MWA may not be a training provider under the STTF.

Any proprietary institution providing training must comply with Public Act (PA) 148 of 1943, Private Trade Schools, Business Schools and Institutes.

The preference is for all training to occur in Michigan; however, if there is a documented need and rationale for training to occur out-of-state, an application can be submitted for consideration.

Allowable Training

Training programs funded by the STTF must fill a demonstrated talent need experienced by an eligible participating business. The classroom training must lead to a credential for a skill that is transferable and recognized by the industry and leads to permanent full-time employment or continued permanent full-time employment. The individual must obtain a credential that will allow them to gain or retain employment. Examples of this could be a certificate in welding or [on-site training](#) for a specific job, such as robotics technician. Online learning is allowable if the training cannot be obtained locally, within a reasonable travel time, or is not offered in the classroom.

Examples of allowable training include:

- Classroom
 - Conducted by third party unless exclusive in nature
 - Lead to recognizable credential, which enhances individual's employability
 - May take place at the training provider, onsite at company, or online
 - May be for current employee(s) or individual(s) to be hired after the STTF application is approved
- On-site training with wage reimbursement for individual(s) to be hired
 - Training for the individual(s) to obtain skills to become proficient in the new job
 - Individual(s) must be hired after the STTF application is approved and before training begins
 - If individual(s) being hired have worked for the company through a temporary staffing agency, the individual must be increasing their job responsibilities or learning a new job
 - It is not the intent of STTF to reimburse a business to train someone on a current job
- Apprenticeships – for [new apprentices](#)
 - Only USDOL Registered Apprenticeships
 - First year apprentices
 - New apprentice is:
 - An individual who begins a USDOL Registered Apprenticeship at any point within the three months prior to company completing an STTF application
 - An individual not currently in a USDOL Registered Apprenticeship
 - Can be a current employee or a new employee
 - STTF cannot reimburse for training that occurs prior to application approval

The STTF can only support the initiation of new USDOL Registered Apprentices. With the short-term training limitation of the STTF, the multiple years of training it can take to achieve the Journeyman status cannot be subsidized. Additionally, apprenticeship training must be a combination of classroom training and on-site work experience, the STTF will not cover 100 percent of on-site work experience. The STTF is not intended to supplement current tuition reimbursement programs; additionally, STTF cannot fund the Michigan Advanced Technician Training (MAT²) Program.

There will be dedicated STTF funds for apprenticeship training.

Prohibited Training

Examples of prohibited training include:

- In-house training that is not exclusive in nature for current employees
- Adult Education
- Literacy
- English as a Second Language
- Leadership
- Soft Skills
 - Resources are available at no cost at <http://www.mitalent.org/elearning-soft-skills-program/>
- On-site training with wage reimbursement for current employees
- Seminars, conferences, workshops, etc.
- Consulting to improve company processes. Classroom training must lead to a recognized credential for the employee

Cost of Training

- Classroom training: \$1,500 per person
- On-site training with wage reimbursement for individuals to be hired: \$1,500 per person
- USDOL Registered Apprenticeships (new apprentices only): \$3,000 per person

Training does not have to be competitively procured; however, training costs should be reasonable, and the desired training provider must be identified in the STTF application and training plan.

Allowable Expenditures

Allowable training expenditures include the actual costs for the classroom, on-site training with wage reimbursement for individuals to be hired, and USDOL Registered Apprenticeship training. As well as, any other reasonable cost required for the successful completion of training. (For example, a training provider may quote a fixed amount for training that includes the cost of their travel.)

Prohibited Expenditures

The following are prohibited training expenditures; however, they can be included in the leveraged funds from businesses/employers:

- Purchase of tools or other equipment
 - Including laptops/computers
- Licensing fees
- Testing fees
- Curriculum development
- Travel costs to send trainee(s) to training
- On-line training subscriptions

The STTF cannot reimburse for training that has occurred prior to the application and training plan being approved.

	Classroom Training	On-site Training with Wage Reimbursement	USDOL Registered Apprenticeship Training
Current employee(s)	✓		✓
Individual(s) to be hired	✓	✓	✓
Up to \$1,500	✓	✓	
Up to \$3,000			✓
Must lead to a credential	✓		✓

Origination

Once a business is identified by any of the program partners, the MWA (lead), referring partner, and any other identified partners will conduct an on-site fact-finding evaluation session with the business(es) to document the talent and requisite fiscal need. MWAs will lead the fact-finding sessions to identify all applicable federal or state funds that are, or could be, used to support the training.

Businesses play an integral role in defining specific skill sets by the job and identifying the appropriate training or combinations of training. Once documented, the partners will work with the business(es) to develop the necessary training plan, identify and document the number of individuals to be trained, and identify all available funding and resources to be used. A summary of the project and all required proposal components will be provided to the WDA for approval using the STTF Application and STTF Training Plan. Once approved, a contract/training agreement will be executed between the MWA and the business and/or training institution.

To be considered for an STTF award, the business is expected to:

- Be actively involved in the planning and design of the training project;

- Pay wages to employees, that are equal to or greater than, the prevailing wage for the local labor market, for the applicable job title;
- Sign a contract/training agreement outlining the employer's role and responsibilities in the training project, including reporting outcomes to the MWA related to trainee participation, hourly wage, and impact/highlights stories. (Impact stories must be collected, and submitted, to the WDA upon completion of training.);
- Commit to hiring, or retaining, employees at the successful completion of training;
- Provide wage information prior to training, post-training, and six months post-training;
- Provide proof of employee retention for on-site training with wage reimbursement, for individuals to be hired, in the form of a payroll register dated at the three-month retention time period. The register only includes the names or identifying characteristic of those employees participating in the STTF, date of hire, term date (if applicable), and hourly wage data. Information for employees not participating in the STTF should be redacted from the register;
- To close-out prior year STTF grant before applying for another; and
- Use www.mitalent.org and Michigan Works! to recruit for job openings.

Examples of employer leveraged funds:

- Wages of current employees while they are attending training
- Cost of travel, lodging and meals for employees to attend training
- Cost of equipment purchased and used during the training
- Cost of additional employees being sent to training not covered by STTF
- Cost of training facility
- Loss of productivity
- Cash contribution

Application

Michigan Works! is responsible for submitting applications on behalf of all local partners to ensure all available funding (federal, state, private) is identified and utilized in a strategic, braided manner. Partners and/or companies are to contact their local MWA Business Solutions Professional (BSP); see map of BSP at http://www.michigan.gov/documents/wda/Map_with_Key_Contacts_434690_7.pdf for their contact information. The BSP will conduct a fact-finding evaluation session with the company and other partners to document the talent and requisite fiscal need. The MWA is the lead in the meeting as they will ultimately be submitting the application. A business may choose to work with an MWA that is not in their local area due to their proximity or if the local MWA does not provide the services needed.

A consortium is a partnership of two or more companies with the objective of participating in shared training resources. Consortium objectives may be to fill seats in the classroom, participate in the design of curricula unique to their shared needs, or bring in a training resource that cannot be provided in the region. Businesses can be from across the state, they are not limited to the local area.

There is not a minimum or maximum number of individuals to be trained, or a dollar amount for applications, but there is a monetary cap, or limit per trainee (see the [Allowable Training](#) section).

The WDA, which administers the STTF, will inform the MWA regarding the status of their application within three business days of the date of receipt of an accurate and complete application and training plan (e.g., application is in review, application is approved, or application is denied). Once approved, the MWA will receive a letter notifying them of the approval, and the MWA is responsible for administering the grant consistent with an approved application and training plan. Applications may be submitted throughout the year.

1. Section 1 of the STTF Application is to be completed by the business.
2. Section 2 of the STTF Application is to be completed by the business. The training information portion should match the STTF Training Plan; if the application and training plan do not match, the application will not be accepted. The amount of the STTF request should be rounded up to the nearest dollar amount. The MWA must review the STTF Training Plan to ensure that it is accurate and correlates with Section 2 of the STTF Application. If the number of training providers exceeds the capacity of the application, submit an attachment (a Word or Excel document is acceptable).
3. Section 3 of the STTF Application must be completed by an authorized company representative.
4. Section 4 of the STTF Application is to be completed by the MWA.

The STTF Application, the STTF Training Plan, and any other supporting documents must all be submitted to skilled@michigan.gov. Incomplete and/or inaccurate applications or training plans will be returned and not processed.

Training Plan

An STTF Training Plan must be submitted with each STTF Application. The only change allowed to the STTF Training Plan and Verification Form is to increase the lines for more trainees or add columns for additional training if needed. **NOTE:** If rows and columns are added, it may distort the formulas that are currently in the document, verify all formulas are accurate prior to submitting to WDA.

The STTF Training Plan worksheet will be completed by the business and training provider, if applicable. The MWA may also assist the business in completing of the STTF Training Plan. Please round up all final STTF requests to the nearest dollar, on the application, the training plan can be the actual amount of training.

The STTF Training Plan and Verification Form is an Excel form with multiple worksheets/tabs. There is a: 1) Training Plan and Verification Form worksheet; 2) sample of the form with data entered worksheet; and 3) instructions for completing the form worksheet.

Scoring Applications

The WDA approval of funding awards will be determined on a case-by-case basis, factoring the weighted criteria in the following table:

Scoring Criteria	Weight
Rationale – The business case may be for: <ul style="list-style-type: none"> • Expansion • At risk of losing business or contracts • Need certifications to obtain new business • New equipment • New processes • Future hires due to individuals being promoted 	30 points
Amount of employer leveraged funds	20 points
Amount of MWA leveraged funds – not to include in-kind	15 points
Amount of other partner leveraged funds	5 points
Planned cost per trainee	15 points
Training start date <ul style="list-style-type: none"> • Starts four to six weeks from application approval, apprenticeship is an exception (if beyond four to six weeks, explain why in the rationale) 	5 points
Training is short-term in duration, typically three months or less, apprenticeship is an exception	10 points
Company employs less than 75 people	5 points
New USDOL Registered apprenticeship training	5 points
The company/location has not previously received an STTF grant.	5 points
Total	115 points

The WDA will award funding to the MWA. The MWA will administer project funding to the employer and/or the training institution once the project outcomes have been met and documented.

Required documentation for classroom training payments:

1. Copy of invoice from training provider (the invoice does not need to show that it has been paid)
2. Documentation of trainee attendance/completion, one of the following:
 - a. Sign-in sheets
 - b. Copy of credential, i.e., certificate signed by the instructor or training provider
 - c. Copy of certification for online courses
 - d. Copy of grades for credit courses
3. Upon completion of all training, the STTF Training Plan, and Verification

Required documentation for on-site training with wage reimbursement, for individuals to be hired:

1. A company payroll register, query from the payroll system, or screen shots from the payroll system dated at the three-month retention period that includes the following:
 - a. Hourly wage
 - b. Hire date, and
 - c. Termination/end date (if applicable)

This is required for each STTF-funded individual as proof that the trainee is still employed at 30, 60, and 90 consecutive calendar days following training. Information for employees not participating in the STTF should be edited-out or redacted from the register.

A query exported to Excel, or another software is not acceptable, it should be a standardized report pulled from payroll software that is not an Excel spreadsheet. The report should have names or identifying characteristic for the trainee, i.e., an employee number. If using an identifying characteristic, a key must be provided with trainee names.

2. On-site training with wage reimbursement payments for employees' wages will be made to the MWA on a reimbursement basis, consistent with approved documentation of the eligible wages. Payment may be requested three-months after the completion of training. Payment amounts will be according to the following schedule:
 - a. 50 percent reimbursement earned once the trainee has retained employment for 30 consecutive calendar days following training completion
 - b. 75 percent reimbursement earned once the trainee has retained employment for 60 consecutive calendar days following training completion
 - c. 100 percent reimbursement earned once the trainee has retained employment for 90 consecutive calendar days following training completion
3. STTF Training Plan & Verification Form

Required documentation for apprenticeship training payments:

1. Copy of invoice from training provider (the invoice does not need to show that it has been paid)
2. Documentation of attendance/completion:
 - a. Copy of grades for credit courses
3. A company payroll register, a query from the payroll system, or screen shots from the payroll system, includes hourly wage, hire date, and termination/end date (if applicable) for each STTF-funded individual for the time frame during which the apprentice was working with a Journeyman on-site. Information for employees not participating in the STTF should be edited-out or redacted from the register.
 - a. A query exported to Excel or another software, is not acceptable.
 - b. It should be a standardized report pulled from payroll software that is not an Excel spreadsheet.
 - c. The report should have names or an identifying characteristic for the trainee, i.e., an employee number.
 - If using an identifying characteristic, a key must be provided with trainee names.
4. STTF Training Plan and Verification Form

Verification Form

The STTF Training Plan and Verification Form is an Excel form with multiple worksheets/tabs. There is a: 1) Training Plan and Verification Form worksheet, 2) Sample worksheet tab with data entered, and 3) Instructions tab for completing the form.

The STTF Training Plan and Verification Form is used to document the trainees, their wages, whether they are employed at the completion of training, and whether they continue to be employed six months post-training.

The STTF Training Plan and Verification Form will be submitted in the following manner:

- Classroom and apprenticeship training
 - When all training is completed (grant closed out), and
 - At six months post-training
- On-site training with wage reimbursement for individuals to be hired
 - At three months post-training, and
 - At six months post-training

Anticipated Outcomes

Fiscal year 2016 STTF program goals:

- Jobs Created–2,650
- Jobs Retained–6,000
- Training Completion Rate–80%
- Employment Retention Rate at Six Months–80%
- Average Hourly Wage at Six Months–\$15.95

To ensure the goals are met there will be funds dedicated to job creation.

Definitions

Current Employee: An individual that is presently on the business' payroll.

Days: Means consecutive calendar days, including weekends and holidays.

Exclusive Training: Training that is owned and controlled by the business and/or third-party training provider and is subject to laws, such as copyrights, patents, or trademarks. The control of the training curriculum usually is retained by the business or third-party training provider. Exclusive training may be training on resources or equipment that is exclusive to a single business process. A business that wants to use its own training curricula in an STTF project must demonstrate a lack of capacity, or inability to meet its own demand. An application must also explain why the business' infrastructure cannot support its training needs without the assistance of an STTF grant. Please review Prohibited Training in the Allowable Training section of this guide.

NAICS Code: The North American Industry Classification System. NAICS was developed jointly by the United States, Canada, and Mexico to provide comparability in statistics about business activity across North America. You may access NAICS codes at <http://www.census.gov/eos/www/naics/>

New Apprentice: Any individual who begins a USDOL Registered Apprenticeship at any point within the three months prior to company completing an STTF application. Or any individual not currently in a USDOL Registered Apprenticeship, this could be a current employee or a new employee.

On-site training with wage reimbursement for individuals to be hired: Training for an individual(s) that is not currently on the businesses payroll; and, will allow the individual(s) to become proficient in the full-time job for which they were hired. Training is conducted at the worksite; employers must commit to retaining the employee at the end of a successful training period.

Soft Skills: Desirable qualities for certain forms of employment.

Skilled Trade: Occupations found in the *Employment and Occupations in the Skilled Trade in Michigan* report, issued June 2013, by the State of Michigan's Department of Technology, Management, and Budget - Bureau of Labor Market Information and Strategic Initiatives. Occupations for STTF awards are NOT limited to this report. STTF awards may be made for any documented need that will assist a business to expand and grow.

Training Start Date: First day trainees are scheduled to attend training.

Training End Date: Last day trainees are scheduled to attend training.